



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 3, 2002

### **S. 1220**

### **Railroad Track Modernization Act of 2002**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation  
on April 18, 2002*

#### **SUMMARY**

S. 1220 would authorize the Secretary of Transportation to administer two new grant programs. Under the first program, the Secretary would provide grants to states and to class II and class III railroads for improving railroad track. Under the second program, the Secretary would provide grants to states for relocating rail lines. The bill would authorize the appropriation of \$2.8 billion over the 2003-2007 period for these programs.

CBO estimates that implementing S. 1220 would cost \$1.9 billion over the 2003-2007 period, and another \$0.9 billion after 2007. S. 1220 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 1220 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to states that receive grants under this bill would be incurred voluntarily.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 1220 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law for Railroad Track Grants						
Budget Authority	0	0	0	0	0	0
Estimated Outlays <sup>a</sup>	1	0	0	0	0	0
Proposed Changes						
Authorization Level	0	700	700	700	350	350
Estimated Outlays	0	70	350	420	490	560
Spending Under S. 1220 for Railroad Track Grants						
Authorization Level	0	700	700	700	350	350
Estimated Outlays <sup>a</sup>	1	70	350	420	490	560
a. Outlays in 2002 are from prior appropriations for railroad capital improvement grants.						

## BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1220 will be enacted in fiscal year 2002 and that the authorized amounts will be appropriated for each year. Estimates of spending are based on information from the Federal Railroad Administration and historical spending patterns of similar programs.

S. 1220 would repeal the existing authority of the Secretary of Transportation to provide grants to states for capital improvements to railroads. No appropriations have been made for these grants since 1995. Instead the bill would authorize the Secretary to make improvement grants directly to certain railroads, or to states with the concurrence of a class II and class III railroad.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 1220 contains no intergovernmental or private-sector mandates as defined in UMRA. States and railroads that receive funds under the programs authorized by the bill would be required to contribute up to 20 percent of the project's total cost. Any resulting costs to state or local governments would be incurred voluntarily.

## **PREVIOUS CBO ESTIMATE**

On June 6, 2001, CBO transmitted a cost estimate for H.R. 1020, the Rail Track Modernization Act of 2001, as ordered reported by the House Committee on Transportation and Infrastructure on May 16, 2001. The House bill would not authorize a grant program for the relocation of rail lines, and it would authorize appropriations for the track improvement grants over the 2002-2004 period rather than the 2003-2007 period. The cost estimates reflect these differences.

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